

2896
Crop 2
LOSS ADJUSTMENT MANUAL FOR WHEAT AND FLAX

(For 1953 and Succeeding Crop Years)

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LOSS ADJUSTMENT MANUAL

FOR WHEAT AND FLAX

(For 1953 and Succeeding Crop Years)

INTRODUCTION

This procedure contains detailed instructions for carrying out the provisions of the insurance contract with regard to loss adjustment. The adjuster should be thoroughly familiar with the provisions of the policy as well as the instructions contained in this procedure.

The adjuster should also thoroughly familiarize himself with the general provisions of the program as well as his responsibilities and those of the state director, district supervisor and county committee in order that he may ably represent the Corporation in his field contacts. This information, together with other basic principles of loss adjustment, are contained in the Adjuster's Handbook. Detailed instructions relative to Form 8-Revised, "Notice to Corporation of Material Damage or Loss" (herein called "Form 8") are contained in General Procedure 8 Revised.

SECTION I. INSPECTIONS AND PREPARATION OF THE INSPECTION REPORT

Subsection A. General

1. Insurance Unit

The adjuster must clearly understand what constitutes an "insurance unit" because losses are adjusted on an insurance unit basis. Unless, in the case of wheat, the insured elected to combine all his operations into one insurance unit each of the following describes an insurance unit:

- a. For an owner-operator all insurable acreage in the county in which he has 100 percent interest at the time of seeding.
- b. For a landlord all insurable acreage in the county which is owned by him and rented to one share tenant at the time of seeding.
- c. For a tenant all insurable acreage in the county which is owned by one person and operated by a share tenant at the time of seeding.

In case of land rented for cash or for a fixed commodity rent the lessee is considered the owner.

2. Kinds of Wheat or Flax Insured

Wheat. Winter or spring wheat seeded for harvest as grain is insured. Wheat seeded for purposes other than grain, when the acreage is properly

designated on the acreage report, will not be insured. However, if wheat is threshed from such acreage the production will be counted in determining a loss under the contract but such acreage will not be included on the loss claim.

Volunteer wheat, wheat seeded with flax or other small grains, vetch, Austrian winter peas, dry edible peas, or a type of wheat which is not adapted to the area is not insured.

Any production of volunteer small grains, volunteer vetch, volunteer Austrian winter peas and volunteer dry edible peas growing with the seeded wheat crop, and small grains seeded in a growing wheat crop on acreage not released by the Corporation shall be counted as wheat. The amount of production will be determined on a weight basis.

Flax. The flax to be insured shall be flax seeded for harvest as seed but does not include:

- (a) volunteer or self seeded flax,
- (b) flax seeded with any other crop except perennial grasses or legumes other than vetch, and
- (c) flax seeded for purposes other than harvest as seed.

3. Insurable Acreage

For each crop year of the contract, any acreage is insurable only if a coverage is shown therefor on the county actuarial table on the applicable calendar closing date for filing applications for that crop year, and provided, in the case of wheat, the farming practice followed on such acreage is one for which a coverage was established.

The adjuster must determine whether or not the acreage is in a classified area and in the case of wheat whether or not a coverage has been established for the practice followed.

4. Acreage Not Covered by Insurance

Insurance does not attach with respect to:

- (a) any acreage on which the crop is destroyed where it is practical to reseed to the insured crop but such acreage is not reseeded,
- (b) any acreage initially seeded too late to expect a normal crop to be produced,
- (c) new ground wheat acreage in areas where such acreage is not insurable, and
- (d) any acreage seeded to wheat on irrigated land the first year after being leveled. (For irrigated acreage see Supplement 1-B.)

5. Appraisals of Production for Causes of Loss Not Insured Against

The contract guarantees the insured producer protection against loss of production due to the following causes when unavoidable: drought, flood, hail, wind, frost, winterkill, freeze, lightning, fire, excessive rain, snow, wildlife, hurricane, tornado, insect infestation, and plant disease. In addition there are certain other causes of loss specified for irrigated acreage. Since the contract insures only against loss of production due to specified causes of loss, it follows that the contract does not cover loss due to any other cause unless such cause of loss is approved by the Board of Directors.

In adjusting a loss the adjuster must keep in mind at all times that the contract, in addition to setting forth those unavoidable causes of loss mentioned above, also sets forth many causes of loss which are not insured against. The important thing with respect to the loss adjustment is to remember that any cause of loss not insured against by the contract is an uninsured cause of loss, plus the fact that any of the above-specified causes of loss are not insured against if they are due to neglect or malfeasance of the insured or any other person in his household or employment or connected with the farm as a tenant or wage-hand.

In every case it must be established whether any part of the loss is due to any cause(s) not insured against. Where any such loss is involved, an appraisal of the amount of production lost due to the uninsured cause(s) of loss must be made. Establishing the amount of this appraisal requires the exercise of sound judgment.

For example, loss due to failure of the insured to take adequate measures to control insect infestation, plant disease or weeds when such measures are practical and have proven effective in the area, is avoidable and is an uninsured cause of loss. On the other hand, loss due to insect infestation or plant disease where the insured carried out adequate control measures, is unavoidable, and therefore is an insured cause of loss. Where the insured failed to carry out adequate control measures the adjuster must determine what control measures were taken by other farmers in the area and what effect the measures taken had on production in order to determine the uninsured loss. (Also for irrigated acreage see Supplement 1-B.)

6. Waiver of Inspection

An inspection need not be made during the growing season if the Form 8 does not include a request for release of acreage and if the state director or the person designated by him (district supervisor or adjuster) determines that an inspection is not necessary. However, in such cases the Form 8 must be cleared by a letter to the insured setting forth the following:

- a. The insured's contract number and the description of the acreage involved;
- b. The reason an inspection is not deemed necessary at that time;
- c. That any later material damage to the crop, or loss after harvest, should be reported promptly; and
- d. That evidence of seeding should not be destroyed or other use made of the acreage before an inspection is made by a Corporation representative.

In order that the letter will contain the required information, it should be prepared by the state director and a supply mimeographed. If the district supervisor(s) or adjuster(s) are authorized by the state director to waive inspections, these mimeographed letters shall be used by them to notify insureds.

This letter should be prepared in triplicate, the original mailed to the insured, a copy forwarded to or retained by the state director, and a copy filed in the insured's county office folder.

No further action is necessary on the case unless another Form 8 is received or it is later determined that an inspection is necessary.

7. Preliminary Steps Before Inspection

The adjuster shall visit the county office and familiarize himself with all material in the insured's file including acreage reports, current correspondence, all Forms FCI-063, "Inspection Report", (herein called "Form 63") previously prepared, and shall obtain records and other data which will be helpful to him in making the inspection. This provision may be waived by the state director if such information is otherwise available to the adjuster, or if it is not needed by him in making an early inspection.

Whenever possible the adjuster shall question the insured concerning the extent of his farming operations so that the insurance units can be determined. The result of this discussion with the insured shall be compared with the acreage report. Any differences shall be resolved to the satisfaction of the adjuster or a full explanation prepared in accordance with this procedure.

8. The Acreage Report in Connection with Inspection

- a. If the acreage report has not been submitted and it is less than 30 days after seeding is generally completed in the area, the adjuster shall obtain the acreage report and handle the inspection in the regular manner.

- b. If an acreage report has been submitted previously by the insured but no part of the unit on which the damage has occurred is listed on the acreage report, a Form 63 shall be prepared for the unit in the regular manner except that no acreage shall be released. This will mean that no entry is made in column C of Form 63 in such cases. The adjuster shall set forth in detail in Part III of Form 63:

- (1) the reason why the unit was not reported on the acreage report,
- (2) the estimated total acreage of the insured crop on the unit and the insured's interest therein,
- (3) the acreage damaged and the extent of damage,
- (4) the condition of the crop and an appraisal of any production, and
- (5) all other pertinent facts.

The case shall be referred immediately to the state director.

- c. If the adjuster finds that the insured has an interest in an additional unit(s) which was not listed on the acreage report and on which no damage has occurred, a Form 63 shall be prepared for the unit in the regular manner and the information requested in paragraph b, above shall be entered in the space for "Remarks". The case shall be referred immediately to the state director.
- d. If the acreage report has not been submitted and it is more than 30 days after seeding is generally completed in the area, the adjuster shall prepare a Form 63 for each insurance unit (or part thereof) in which the insured had an interest at the time of seeding. The Form(s) 63 shall be prepared in the regular manner except that no acreage shall be released. This will mean that no entry is to be made in column C of Form 63 in such cases. The adjuster shall set forth in detail in Part III of Form 63:

- (1) the reason why the acreage report was not filed within the 30-day period,
- (2) the estimated total acreage of the insured crop on the unit (or part thereof) and the insured's interest therein,
- (3) the acreage damaged and the extent of damage,
- (4) the condition of the crop and an appraisal of any production, and
- (5) all other pertinent facts including information as to previous efforts made to secure the acreage report.

The case shall be referred immediately to the state director.

9. Inspection of Other Units

In any case where an insured has more than one insurance unit and the adjuster has not received a Form 8 for each unit he shall inquire of the insured whether a loss has occurred or is probable on any of the units not covered by a Form 8. For any such unit on which a loss has occurred the adjuster shall prepare a Form 8. If this notice is timely and the case is otherwise regular the adjuster shall proceed with an inspection and necessary loss adjustment. For any unit on which a loss is probable but it is not possible to complete an adjustment and for any unit on which a loss is not probable, an inspection need not be made. However, the insured shall be informed of his responsibility to give prompt notice of loss immediately after completion of harvest or October 31, whichever occurs first, and the adjuster shall make appropriate comment on his findings as provided below.

In such cases where an inspection is not made an explanation should be given on a Form 6. This explanation should include the unit numbers, reason for not inspecting the units and the production as reported by the insured if harvesting has been completed on the unit. For example, the explanation can be made in the following form: "Units 3 and 4 were not inspected because the insured reported that the units are to be harvested and a loss is not probable. The insured estimates a yield of _____ bushels per acre on unit number 3 and _____ bushels per acre on unit number 4. These estimates are in excess of the coverages for the units;" or "Units 3 and 4 were not inspected because the insured's threshing receipts show _____ bushels produced on unit number 3 and _____ bushels produced on unit number 4. This production is in excess of the coverages for the units;" or "Units 3 and 4 were not inspected because harvesting has not been completed on these units. The insured believes that a loss is probable and he has been informed of his responsibility to submit a Form 8 at completion of harvesting or by October 31, whichever occurs first."

10. Transfer of Interest

Where the adjuster finds that there has been a transfer of interest after the beginning of seeding but before the beginning of harvest or the time of loss, whichever occurs first, he shall determine whether Form FCI-21-Revised, "Transfer of Interest" (herein called "Form 21") has been filed with the county office. Normally Form 21 should be filed within 15 days after the date of the transfer. The Corporation will accept Form 21 in the case of any valid transfer, if the Form 21 is filed within 15 days after the date of the transfer. However, if more than 15 days has elapsed since the date of the transfer and the adjuster finds that Form 21 has not been filed, he shall inform the transferee that if he desires insurance on the interest transferred he may file Form 21 with the county office or with the adjuster provided that:

- (a) the premium was paid prior to the date of the transfer, or
- (b) it is during the growing season and the insured crop has not deteriorated since the date of the transfer.

A transfer of interest will not be recognized if harvest on the insurance unit was begun before the transfer occurred.

In any case where the transferee has not filed a Form 21 with the county office and does not file one with the adjuster at the time the inspection is made, the adjuster shall prepare a Form FCI-6, "Statement of Facts" (herein called "Form 6") containing all the data required to execute a Form 21.

When adjusting a loss in a case where the transfer involves only a portion of the acreage on the insurance unit the adjuster should obtain all basic information on the transferred acreage whether or not an acceptable Form 21 has been executed. This is necessary in order for the Corporation to compute any indemnity which may be due the transferor on the acreage not transferred.

Detailed instructions covering the conditions under which the transferee may obtain insurance and the execution of Form 21 are contained in FCI - General Procedure 8 - Revised.

11. Released Acreage

The contract provides that any acreage of the insured wheat (flax) crop which is destroyed after it is too late to reseed to wheat (flax) may be released by the Corporation to be put to another use. Any acreage shall be considered destroyed if it is damaged to the extent that farmers generally in the area where the land is located would not further care for the crop or harvest any portion thereof. No insured acreage may be seeded to a substitute crop or put to another use until the Corporation releases such acreage.

The adjuster will be called upon to release acreage in two types of cases. One case will be a release of acreage to be seeded to a substitute crop. The other case will be release of acreage for other use such as summer fallow, wind-erosion control, weed control, pasture, hay, and just not harvesting at maturity.

The decision to release acreage for seeding to a substitute crop may often be a difficult decision for the adjuster to make. Farmers may want immediate releases in these cases and it probably will be important that substitute crops be seeded as soon as possible. While the Corporation does not wish to unduly delay the insured from seeding a substitute crop, it does insist that the adjuster avoid hasty decisions in making such releases. Before a release is made the adjuster should be satisfied that:

- a. It is too late to reseed to wheat (flax).
- b. The crop is destroyed and, assuming that favorable growing conditions will prevail until harvest time, the crop is not worth further care.
- c. Other farmers generally in the area, uninsured as well as insured, would not further care for the crop or harvest it.

Whenever the insured requests a release of the acreage for the purpose of seeding other grain with a thin stand of wheat, these same conditions for release will apply as for the seeding of any other substitute crop. (Where other grain is seeded in thin stands of wheat on unreleased acreage, all production from such acreage will be counted as wheat on a weight basis.)

In every case where a release of acreage is made for the seeding of a substitute crop, the adjuster shall inform the insured that if the substitute crop is not seeded the Corporation will proceed with an adjustment as if no release had been made.

The decision to release acreage for use other than a substitute crop also may be difficult to make. The adjuster must be guided by the same conditions for these releases as is used in making releases for substitute crops. Where an inspection is made following what appears to be a disaster from a cause such as hail or freeze, the adjuster should delay his decision to release the acreage until the crop has had a chance to recover.

The contract provides, "Where released acreage is not put to another use, or is reseeded to wheat (flax) and wheat (flax) is harvested from such acreage, the release may be disregarded by the Corporation." The adjuster shall call this provision to the attention of the insured.

In cases where wheat (flax) on released acreage is not put to another use but is carried on through harvest, or the released acreage is reseeded to wheat (flax) and is harvested, the adjuster will proceed with the adjustment as if no release had been made unless the insured neglects to protect the crop. If the insured neglects to protect the crop or conducts no more than a token harvest, the adjustment will be made on the basis of the original release or on the harvested stage of coverage whichever is the more favorable to the Corporation.

12. Stages of Production and Method of Determining the Amount of Production to be Counted.

The use made of the insured acreage establishes the coverage per acre applicable to any acreage. It also establishes the amount of the production to be counted in determining whether there is a loss.

The stages of production and the methods to be used in determining the production to be counted (in addition to any appraised production for uninsured or avoidable cause(s) of loss) are set forth below:

a. First Stage - Acreage released and planted to a substitute crop

The production to be counted for this acreage is that portion of the appraised production which exceeds the coverage for such acreage and shall be determined as follows:

- (1) multiply the acreage released in each field or tract by the appraisal per acre and obtain the sum thereof,
- (2) multiply the total acreage released and seeded to a substitute crop by the coverage per acre for such acreage. (If different coverages are involved, multiply each acreage by the applicable coverage and obtain the sum thereof.)

If the production obtained under (1) exceeds the result obtained under (2) the excess is the production to be counted for this acreage.

b. Second Stage - Acreage released and not harvested and not planted to a substitute crop

The production to be counted for this acreage is that portion of the appraised production which exceeds the difference between the coverage for this acreage in the second and third stages of production and shall be determined as follows:

- (1) multiply the acreage released in each field or tract by the appraisal per acre and obtain the sum thereof,
- (2) multiply the total acreage released and not harvested and not seeded to a substitute crop by the difference between the coverages per acre in the second and third stages. (If different coverages are involved, multiply each acreage by the difference between the applicable coverages per acre in the second and third stages and obtain the sum thereof.)

If the production obtained under (1) exceeds the result obtained under (2) the excess is the production to be counted for the acreage.

c. Third Stage - Harvested acreage

The production to be counted for this acreage is all harvested production (actual and appraised).

13. Production to be Counted when Damage is Due to Cause(s) Not Insured Against

In addition to any production to be counted as provided in the three stages above, additional production shall be counted as follows:

- a. When the acreage is put to another use without the consent of the Corporation, the production to be counted shall be the larger of
 - (1) the appraised production for such acreage or
 - (2) the coverage for such acreage in the third stage.
- b. When the yield on an acreage has been reduced solely by cause(s) not insured against, the production to be counted shall be the larger of
 - (1) the appraised loss of production for such acreage or
 - (2) the coverage for such acreage in the third stage, minus any production harvested from such acreage.
- c. Where the yield is reduced due partially to cause(s) not insured against and partially to cause(s) insured against, the loss of production for such acreage due to uninsured causes shall be determined by appraisal.

Subsection B. Preparation of Inspection Report

When an inspection is made the adjuster shall prepare Form 63 in accordance with this subsection for each insurance unit at the time of each inspection of the unit. Where different farming practices or different areas are involved on parts of an insurance unit, one Form 63 may be prepared showing all the data for the unit.

In counties where a coverage has been established for more than one farming practice, the acreage on which each farming practice is carried out shall be entered on a separate line and identified by entering the farming practice designation in parenthesis above the acreage figure in column (b); e.g.,

(C.C.)	(S.F.)	(I)
20.9	- 100.0	- 20.0, etc.

Where parts of the insured acreage on the insurance unit are located in more than one area, the acreage in each area shall be entered on a separate line and identified by entering the applicable area number in parenthesis above the acreage figure in column (b); e. g.,

(1)	(2)
20.9	- 7.8, etc.

Corresponding fields or tracts should be identified in the same manner on the sketch map in Part III of Form 63. A separate Form 63 shall be prepared for each part of an insurance unit in the following cases.

1. When a transfer of interest has been approved involving a part of the acreage or a part of the insured's interest in the crop on the unit; or
2. When the insured has different shares in the crop on parts of the unit.

(Instructions for preparation of Part I are contained on the inside cover of the pad containing the Inspection Report and will not be repeated in this procedure.)

Part II. Actual Production

Part II shall include the shares of all persons in the threshed production of the insured crop on the unit (or part thereof) covered by Form 63. Routine completion of Part II of Form 63 shall not be considered adequate to determine the quantity of threshed grain. The adjuster shall determine whether the production reported by the insured appears to be consistent with the yield of comparable land in the area. If not, records of sales and storage in nearby elevators should be checked to determine whether any part of the production was not reported. If the adjuster is not fully satisfied after checking elevator records that all the production was reported, the situation should be reported to the district supervisor or to the state director. Volunteer small grains or small grains seeded with the growing wheat crop on acreage not released by the Corporation shall be counted as wheat on a weight basis.

Item 1. Farm Stored Grains: The data for each bin shall be recorded in item 1. All dimensions listed shall be actual inside bin measurements and shall be expressed in feet and tenths of feet. (Where the gross bushels by weight were determined before the grain was stored, and records of this determination are acceptable to the adjuster, the manner in which such determination was made shall be entered on one of the lines in item 1 and only columns S (T where applicable) and U need be completed.)

Columns J, K, and L: These columns are self-explanatory.

Column M: Enter the depth of the grain in the bin. If grain from the present crop is stored in a bin which also contains grain from a previous crop, only the depth of grain from the present crop shall be measured.

Column N: Enter the gross cubic feet of the grain. (See Adjuster's Handbook for methods of determining contents of bins.)

Column O: Enter the cubic feet of deduction for any space occupied by chutes, vents, studs, cross-ties, etc., which have been included in the overall measurements of the grain.

Column P: Enter the result obtained by subtracting the entry in column O from the entry in column N.

Column Q: Enter the result (rounded to tenths of bushels) obtained by multiplying the entry in column P by 0.8.

Column R: The test weight for wheat shall be assumed to be 60 pounds and the test weight for flax shall be assumed to be 56 pounds unless the insured or the adjuster believes that the actual test weight is more or less than that stated, in which case the actual test weight should be determined.

If the test weight is determined, representative samples must be taken from each bin. Each sample should be labeled by the adjuster to identify it with the bin from which it was taken.

Column S: Enter the result (rounded to tenths of bushels) obtained by multiplying the entry in column Q by the percentage factor (obtained from the Adjuster's Handbook) for the test weight as shown in column R.

Column T: In areas where it is customary to sell grain on a clean basis and where the coverage and premium rate have been established accordingly, enter the percent of dockage or foreign material. In the case of wheat, other small grain threshed with the wheat shall not be considered as dockage or foreign material. This percentage shall be determined on the basis of weight (not volume). No entry shall be made in column T in areas where the grain is sold on a field-run basis.

Column U: Multiply the entry in column S by the entry in column T (round to tenths of bushels), subtract the result thus obtained from the entry in column S, and enter the remainder in column U. If there is no entry in column T, the entry in column S shall be entered in column U.

Items 2 through 6: These items are self-explanatory.

Part III. Adjuster's Narrative Report

The adjuster's narrative report is a very important part of the loss adjustment papers. It is used by the state director in reviewing the case and often the approval or disapproval of the case depends upon the narrative report. It should be prepared carefully in accordance with the instructions on the inside of the front cover of the Form 63 pads. In addition to these instructions, whenever the signature of the insured cannot be obtained the reason should be included in the narrative report. The state director will outline for the adjuster any other information which he thinks the Corporation will need in final determination of any loss.

Subsection C. Production Eligible for an Adjustment for Quality and Method of Determining the Production to be Counted

1. Threshed production is eligible for an adjustment for quality when the Corporation determines
 - (a) that it will not grade No. 3 or better in the case of wheat or No. 2 or better in the case of flax because the quality of the production has been damaged by insured cause(s) and could not be made to grade No. 3 or better in the case of wheat or No. 2 or better in the case of flax if properly handled, and
 - (b) that it has a value per bushel which is less than the lower of the fixed price or the county loan rate for wheat grading No. 3 or flax grading No. 2.

2. Wheat of any class that grades No. 3 or better, No. 2 or better in the case of flax, is not eligible for an adjustment for quality regardless of the market value of the wheat or flax. Furthermore, since the moisture content in wheat is largely dependent upon handling, an adjustment for loss of quality due to moisture will not be made unless
 - (a) the moisture in the wheat could not be removed by proper handling or
 - (b) the excessive moisture has resulted in permanent damage to the wheat prior to threshing.

Lack of facilities for removing the moisture will not be considered as justification for a quality adjustment. A caution to be observed by adjusters in these cases is that insurance protection terminates upon threshing (in California, 120 hours thereafter when combined and in sacks in the field) or removal of the crop from the field. Therefore, any deterioration which occurs in the bin is not covered by insurance unless the adjuster determines that the damage resulting in the deterioration occurred in the field and could not have been prevented by proper handling.

3. When an adjustment for quality is made enter in "Remarks" on the inspection report
 - (a) the number of bushels of damaged production,
 - (b) the value per bushel and the total value of such production as determined by the adjuster, and
 - (c) a full explanation of how the value was determined.
4. In establishing the value of damaged production, the adjuster shall consider all available markets within a reasonable distance from the insurance unit. Markets shall not be confined to warehouses, elevators and grain terminals but shall include individual and commercial buyers, etc. If, however, the delivery point is beyond the distance the insured reasonably could be expected to make a delivery, the shipping charges should be deducted from the bid price in determining the value of the damaged production.
5. When the damaged wheat will not grade or by proper handling cannot be made to grade No. 3 or better but it is or could be made eligible for a CCC loan, the adjuster should use the higher of the loan price or the market price for establishing the value of such production.
6. The damaged production to be counted shall be determined by
 - (a) multiplying the number of bushels of damaged production by the value per bushel as determined by the adjuster, and
 - (b) dividing the result thus obtained by the lower of
 - (1) the fixed price or
 - (2) the county loan rate for grade No. 3 in the case of wheat and No. 2 in the case of flax.

SECTION II. ADJUSTMENT OF CLAIMS

Subsection A. General

1. Responsibilities of the insured:

- a. If a loss is probable the insured is required to submit notice to the county office immediately after any material damage to the insured crop during the growing season.
- b. The insured is required to submit a notice of loss to the county office immediately after the completion of threshing or October 31 whichever occurs first if a loss has been sustained or is probable on the insurance unit. If this notice is not given within 15 days after the completion of threshing or October 31 the Corporation reserves the right to reject any claim for indemnity. This provision is essential in order that inspections be made while the facts can be determined best.
- c. The insured shall submit claim for loss within 60 days after the time of loss. (In case all of the acreage on the insurance unit is released prior to harvest, the time of loss is the date of the damage as determined by the Corporation. In case the crop is threshed or removed from the field prior to October 31 of the crop year, the time of loss is the date of completion of threshing or removal from the field. In case the crop is not threshed or is not removed from the field by October 31 of the crop year, the time of loss is October 31.) If the claim is submitted more than 60 days after the time of loss see Section III. C. hereof.
- d. The insured shall use Form FCI-367, Statement in Proof of Loss, hereinafter called Form 67, in submitting a claim for loss.
- e. The insured shall establish that the amount of any loss for which claim is made has been caused directly by one or more of the hazards insured against by the contract during the term thereof, and that the loss has not arisen from or been caused by, either directly or indirectly, any of the hazards not insured against.

2. Responsibilities of the adjuster.

- a. In making each inspection in connection with a claim for loss, the adjuster shall determine whether a notice of damage or loss was given at the county office
 - (1) within 15 days after the date of material damage during the growing season, as determined by the Corporation, and
 - (2) within 15 days after completion of threshing, or by October 31

if the crop is not harvested or removed from the field by that date.

If notice was not given within the time set forth above, the case shall be handled as provided in Section III.B. hereof.

- b. In counties where specific requirements must be met before insurance attaches on the basis of irrigated coverage, the adjuster shall determine the acreage that is eligible for the irrigated coverage. (See Supplement 1 B).
- c. The adjuster shall not complete a Form 67 until
 - (1) he has established the identity of the acreage constituting the insurance unit and has inspected all fields or tracts in the unit,
 - (2) he has verified the coverage and rate area(s) in which the acreage is located,
 - (3) he has accurately determined the acreage seeded to the insured crop on the unit and has established the insured's share in the crop,
 - (4) he has verified to his satisfaction that all of the production for the unit has been reported,
 - (5) he has made and discussed with the insured any necessary appraisals of production per acre, including appraisals for uninsured and avoidable causes of loss, and
 - (6) he has determined all causes of loss and that the loss claimed is due to unavoidable causes which are insured against.
- d. The adjuster shall not approve a Form 67 covering a unit on which any acreage is released until he determines the use made of this acreage. (This provision does not apply to acreage that will not be harvested in cases where harvest in the area is completed generally and an accurate appraisal of the production can and has been made.)
- e. The adjuster shall not approve a Form 67 if there is any possibility of threshing any production from the unit at a later date. (This provision does not apply to acreage that will not be harvested in cases where harvest in the area is completed generally and an accurate appraisal of the production can and has been made.)

- f. The adjuster shall prepare Form FCI-26, "Adjuster's Report" in connection with each Form 67 filed. The Form FCI-26 shall be attached to the related Form 67 when it is submitted to the director.
- g. In any case where a timely notice of loss is filed by the insured, the adjuster shall not refuse to assist the insured in filing a Form 67 even though the adjuster feels that the claim has no merit and cannot recommend approval of the claim.

Subsection B. General Instructions Applicable to Preparation of Form 67

Form 67 has been designed so that data can be included for two farming practices (i. e., SF and CC) on the same Form 67 without requiring "Supplemental" and "Master" forms provided the entire insurance unit is located in one area. Also one Form 67 can contain data for parts of the insurance unit in two areas provided only one farming practice is followed in each area. Columns A, B, D, and E have been divided horizontally in items 1 through 4 and column C in items 2 through 4 so that two entries can be made in each item.

1. A separate Form 67 (or a "master" and "supplemental" Form 67, where subsection D of this section applies) shall be prepared for each unit on which a loss is claimed.
2. Where the insured fails to establish and maintain separate records satisfactory to the Corporation of production for each unit and all the acreage from which production is commingled is insured, the case shall be handled in accordance with subsection D of this Section.

Where the insured fails to establish and maintain separate records satisfactory to the Corporation of production from "unclassified" or other uninsured acreage and such production is commingled with production from insured acreage, the production from such acreage will be considered to have been produced on the insured acreage and the loss adjusted in the usual manner.

However, if in either of the above cases the adjuster feels that insurance with respect to such units should be voided for the current crop year, he shall prepare Form 6 setting forth the facts which he feels justify this action and his recommendation. When Form 6 is prepared in such cases the adjuster should not sign Form 67. If the insurance for such units is voided, the insured still may be required to pay the current premium.

3. The insured and the adjuster certify only to the basic data appearing on Form 67, which include the measured acreages, the insured interest, the total harvested production, the appraisals of production, and the cause(s) of damage. Therefore, the adjuster shall complete Form 67 only to the extent provided herein.

4. Where it appears that there will not be a loss on the unit, or where the insured requests information as to the approximate indemnity he may expect to receive, the adjuster may perform the necessary computations on a scratch pad, (using the instructions on the inside of the front cover of the pad of Forms 67), and advise the insured of the approximate amount of indemnity before any deduction for indebtedness. If there is no loss, the adjuster should explain to the insured why there is no loss.
5. In all cases the insured shall be advised that the required computations will be made by the Corporation and that his copy of Form 67 will be mailed to him after the audit is completed.
6. Where a statement of facts is required Form 6 should be used to record the necessary information. In cases where more than one statement of facts is required, all such statements may be entered on the same Form 6 insofar as space permits. All Forms 6 should show the date of execution and should be signed by the person giving the information and should show his title or capacity.

A "Statement of Facts" should be carefully prepared. It should contain information clear and complete enough so that a person not familiar with the case could decide the case on its merits. It will be a very important document whenever a controversy arises.

Subsection C. Preparation of Form 67 for Usual Cases.

1. The instructions set forth in this subsection apply in **all cases where**
 - (a) not more than two areas are involved (or one area with two farming practices is involved) on an insurance unit,
 - (b) the insured has the same share in all the acreage of the insured crop on the unit, or
 - (c) there has been a transfer of all or a part of the interest in all of the acreage of the insured crop on the unit.

In all other cases Form 67 shall be prepared in accordance with subsection D of this Section.

2. Form 67 shall be prepared as follows:

Heading: These entries are self-explanatory. The name of the insured on Form 67 must agree with the way it appears **on the application**. If it does not agree, a Form 6 fully explaining the differences must be

attached to Form 67. If another insured (e.g., the landlord) has a contract covering the insurance unit, and a loss is involved, the adjuster should prepare a complete set of loss forms for such other insured.

Part I. Basic Data

The following important factors shall be kept in mind in preparing Part I:

- a. In connection with any computation, rounding shall be performed as follows: Carry the computation one digit beyond the digit to be rounded. If the last digit is 5 or larger, round upward; if the last digit is 4 or smaller disregard it.
- b. All acreage figures shall be shown to tenths of acres. Production figures shall be rounded as provided in the instructions on the inside of the front cover of the pad of Form 67. Computations in Part II shall be rounded to cents or to whole bushels, whichever is applicable.
- c. Boxes: Instructions for completing all boxes are contained on the inside cover of the pad of Form 67. More detailed instructions are set forth below for boxes B and C due to the importance of these data in determining the amount of any indemnity due the insured.

Box B: Enter the measured acreage seeded for harvest as grain or seed on the insurance unit, excluding

- (1) any acreage to which insurance did not attach, and
- (2) any acreage for which the contract does not provide insurance (See Section I - Subsection A, 2 of this procedure).

This acreage shall be accurately determined by the adjuster unless acceptable records of measurements are on file in the county office. All possible use shall be made of permanent field acreages established under other agricultural programs. Measuring equipment shall be checked for accuracy prior to its use.

Where applicable, the adjuster shall advise the insured of the following:

- (1) If the measured acreage is less than the reported acreage the loss, if any, will be settled on the basis of the measured acreage and the premium adjusted accordingly.
- (2) If the measured acreage exceeds the reported acreage, the loss which would otherwise be determined will be reduced proportionately, unless the provisions of paragraph (3) below are applicable.
- (3) In cases where the premium for the planted acreage is larger than the premium computed on the acreage report, and

- (a) more than one premium rate is involved on either the acreage report or the loss claim, or
- (b) different premium rates are involved on the acreage report and the loss claim, or
- (c) the insured has different shares in the crop on parts of the insurance unit

the loss on the planted acreage will be reduced in the same proportion as the premium computed on the approved acreage report is to the premium computed for the planted acreage.

Box C: Enter the insured interest in the crop (100, .667, .50, .333, etc.) which shall be the smaller of

- (1) the interest in the crop at the time of seeding, or
- (2) the reported share in the crop as shown on the acreage report, or
- (3) the share in the crop at the beginning of harvest or the time of loss whichever occurs first.

Where the insured interest entered in box C differs from the reported share shown on the acreage report, Form 6 explaining the difference shall be attached.

- d. Items 1 through 7: The instructions for completing these items are outlined on the inside cover of the pad of Form 67. (See Section I, A, 12 and 13, for instructions for determining the production to be counted.) Care should be taken to see that proper appraisals are entered in item 6 for any cause(s) of loss not insured against. (See applicable policy for causes of loss not insured against.)

Part II. Computation of Loss.

(Instructions for completion of items 9 through 13 are contained on the inside cover of the pad of Form 67 and will not be repeated in this procedure.)

Part III. For Branch Office Use Only

Make no entries.

Part IV. Causes of Damage Insured Against

Enter the primary and any secondary insured cause(s) of damage to the crop, together with the approximate date(s) of damage and the estimated percent contribution of each such cause to the total loss on the unit due to causes insured against. No uninsured cause(s) of damage shall be entered in Part IV.

The entries for "Percent Contribution" should total 100 percent. The various insured causes of damage (except when avoidable) are listed below and shall be used as a guide to uniformity:

Drought	Hot winds (including excessive heat)
Hail	Tornado
Fire	Windstorm
Wild life (animals or birds)	Plant diseases
Flood (overflow or backwater)	Insects
Excessive moisture (rain or seepage)	Weeds and grasses (resulting from insured causes of loss and not due to poor farming practices)
Winter-kill	
Frost, freeze, or snow	
Hurricane	

If any part of the loss was not insured against, the adjuster shall prepare a Form 6 setting forth all pertinent facts including the number of bushels of production lost due to such damage. Form 6 shall be attached to Form 67.

Part V. Claim, Certification, Release and Assignment

Item 17: By signing Form 67 the insured certifies to the basic data appearing on the form and transfers to the Corporation any claim he may have against any person(s) for damage to the crop to the extent that payment for loss resulting from such damage is made to the insured by the Corporation. The insured shall be informed of all the conditions of the certification as set forth in the "Adjuster's Handbook".

Enter in the space provided either "yes" or "no" to the question whether a collateral assignment is outstanding. If a Form FCI-20, "Collateral Assignment", approved by the Corporation, is on file in the county office, the word "no" shall not be entered until the adjuster determines that the assignee has released the assignment in writing. Where "yes" is entered, and the insured wants the assignee to be paid separately to the extent of the cash amount of the assignment or a lesser amount a statement to this effect, signed by the insured, must accompany the Form 67. If the statement provides for the issuance of a separate check to the insured and a separate check to the assignee for an amount less than that shown on the assignment, it must also be signed by the assignee. If no such statement is attached, a joint check will be issued.

The adjuster shall review Form 67 and determine that all necessary entries have been made thereon and shall discuss all appraisals and other basic data with the insured before it is signed by him. After the form is filed by the insured, no person has authority to change or enter thereon any basic data. If after the form has been filed by the insured it is found that any of the basic data shown thereon are incorrect, the case shall be handled in accordance with the procedure set forth in Section III, subsection A, hereof.

The insured (or other eligible claimant) shall sign and enter the date in the spaces provided in item 17. Before signing, he should be cautioned that his signature must agree with the name in the heading of Form 67, and, where applicable, with his signature on the application. The signature must actually be affixed by the person whose name appears in the heading of Form 67, or by his authorized representative.

Item 18: The adjuster shall not approve the Form 67 until

- (1) he has made the determination required in subsection A. 2 of this Section,
- (2) all basic data have been entered thereon, and
- (3) it has been signed by the insured.

If the signature is affixed in a representative capacity, the adjuster must determine that a power-of-attorney or other acceptable evidence is on file in the courthouse or the county office authorizing the person to sign in the capacity in which he signs. If, after the insured has signed the form, the adjuster can certify to the statements in item 18, he shall sign and date the form in the spaces provided.

Item 19: This item is for the use of the state director.

Boxes Designated "For Branch Office Use Only"

The adjuster shall make no entries in these boxes, which will be used by the Corporation in notifying state and county offices of changes in the premium for the contract in each case where the measured acreage shown on Form 67 is less than the reported acreage, thus eliminating the preparation of "revised" acreage reports by the Corporation.

Subsection D. Preparation of Form 67 for Unusual Cases

1. Separate Forms 67 shall be prepared in the following cases:

- a. for each part of an insurance unit on which the insured has a different share in the insured crop, or
- b. for each part of the insurance unit when more than two areas are involved (or more than one area with two farming practices is involved) on the unit, or
- c. for each insurance unit (and parts thereof as necessary) when production from two or more units is commingled and all the acreage from which the production is commingled is insured and separate records of production acceptable to the Corporation are not maintained, or
- d. for each transferee and each transferor and for each part when a part of the insured interest in a part of the insured acreage is transferred, or

- e. for each transferee and each transferor and for each part when all of the insured interest in a part of the insured acreage is transferred and more than one transfer is involved.
2. The word "Supplemental" shall be entered immediately above the heading of each of the forms covering a part of the acreage or interest. After the "supplemental" forms have been prepared, the entries on all such forms prepared for an insurance unit shall be summarized and entered on a Form 67 which shall be identified by entering the word "Master" immediately above the heading of the form. The "Supplemental" and "Master" forms shall be prepared as follows:

a. "Supplemental" Forms

- (1) Complete the heading of each "supplemental" form in the usual manner and enter in Part I of each such form the data applicable to the acreage covered by the "Supplemental".
- (2) Where a transfer of acreage or interest is involved or where an insured has different shares in parts of the acreage, the harvested production must be entered on each "supplemental" but in all other cases it may be entered only on the "master" form.
- (3) In these cases, only the "master" form need be signed.

b. "Master" Forms

- (1) Complete the heading in the usual manner.
- (2) To obtain the entries for Part I (except the entries in Boxes C, D and E and columns A and D which shall be made in the usual manner) add the entries for the respective items and boxes on all "supplemental" forms and enter the sum thereof in the corresponding items and boxes on the "master" form.
- (3) Where different shares are involved on the "supplemental" the word "varying" shall be entered in box C.
- (4) Where production from two or more units is commingled, delete the word "Reported" above box A and enter the word "Insured". (The insured acreage for each "supplemental" covering an insurance unit is the smaller of the entry in box A or the entry in Box B on each form.

Each "supplemental" and "master" Form 67 shall specify above the heading of the Form the reason for its preparation (i.e., transfer of interest, commingled production, varying interests, etc.)

3. When there is a transfer of all the insured interest in a part of the insured acreage on the unit, and only one transfer is involved, and none of the items 1(a), 1(b) and 1(c) above apply:

- a. Draw a vertical line through the center of columns B, C, and E.
- b. To the left of the vertical line enter the data for the entire unit.
- c. To the right of the vertical line enter the data for one of the following:
 - (1) if the transferee is submitting the claim, enter the data for the acreage transferred, or
 - (2) if the transferor is submitting the claim, enter the data for the acreage not transferred.
- d. Otherwise prepare the Form 67 in the usual manner.

Subsection E. Other Unusual Cases

If a case arises which because of some special circumstance is meritorious but which is not specifically covered by this procedure or if the application of this procedure results in an undue hardship on the insured, the case should be submitted in accordance with General Procedure 4.

Subsection F. Cases where the Insured and Adjuster Cannot Agree

If the insured and the adjuster cannot agree on the settlement of a loss claim the case shall be referred to the supervisor. If the insured and the supervisor cannot agree two Forms 67 shall be prepared, one showing the data submitted by the insured and signed only by him, and the other showing the data determined by the supervisor and signed only by him. The supervisor shall submit both forms to the state director in accordance with General Procedure 4. If the insured does not file his Form 67 at that time, he shall be advised by the supervisor that such Form 67 must be filed not later than 60 days after the time of loss. Every effort should be made to handle these cases as promptly as possible.

Where the adjuster has reason to believe that all the facts have not been set forth by the insured or that any of the basic data have not been provided and it appears impossible for the adjuster to determine these facts or basic data, he shall not sign the Form 67. In these cases the adjuster shall prepare a Form 6 setting forth the information which he believes is being withheld, what causes the adjuster to believe that information is being withheld, and the steps he has taken to determine the facts. The Form 67 signed by the insured and the Form 6 prepared by the adjuster shall be referred to the supervisor for further action.

Subsection G. Transmitting Forms 67 to the Director

The adjuster shall forward daily to the director all copies of all completed Forms 67. All copies of any Form(s) 6 prepared as provided in this procedure shall be attached securely to the related Form 67.

SECTION III. CORRECTED FORMS 67, DELAYED NOTICES OF LOSS
OR FORMS 67

Subsection A. Corrected Forms 67

If after a Form 67 has been filed by the insured and submitted to the state director it is found that the basic data thereon are incorrect because of a bona fide error on the part of the insured or the adjuster, a corrected Form 67 (plainly marked "corrected" in the heading thereof) shall be prepared and signed both by the insured and the adjuster if the correction would change the indemnity as much as \$5.00.

In addition, the adjuster shall prepare Form 6 fully explaining how the error occurred and including all facts pertinent to the case. The Form 6 shall be attached to the "corrected" Form 67 and transmitted promptly to the state director.

If after a Form 67 has been filed by the insured it is found that the basic data thereon are incorrect and it appears that the insured may have acted in bad faith by concealing some material fact, the adjuster shall prepare a Form 6 setting forth all pertinent facts regarding the case. This Form 6 shall be transmitted promptly to the state director. If the insured wishes to file a "corrected" Form 67 in such cases, the adjuster shall not sign such form but shall attach thereto the Form 6. The Form 67 originally filed by the insured shall of course be transmitted promptly to the director in all cases, if such form has not already been transmitted.

It will not be necessary to prepare a "corrected" Form 67 if the basic data on the original form are correct and settlement has been made in a lesser amount than the correct indemnity and the insured is requesting the additional amount.

Subsection B. Delayed Notice of Loss

1. If the notice of loss was given more than:

- (a) 15 days after material damage to the crop before harvest, or
- (b) more than 15 days after the completion of threshing, or
- (c) after October 31, but in sufficient time for a Form 67 to be filed within the 60-day period, the insured shall be informed of the requirement of the contract for giving notice within the 15-day period. The adjuster shall request the insured to submit along with the Form 67, if one is filed, a statement showing the reasons for the delay in filing a notice of loss. In these cases, the adjuster shall prepare Form 6 showing

- (a) the portion of the acreage on which the stubble was still standing at the time of inspection,
 - (b) whether he was able to determine accurately the actual acreage,
 - (c) the method used in determining the actual production,
 - (d) whether he is satisfied that all production was accounted for,
 - (e) whether he feels certain that he was able to ascertain the extent of any uninsurable cause of loss and the method of making per acre appraisals for such causes,
 - (f) in what respects the evidence with regard to acreage and production is or is not as satisfactory as it would have been if the notice had been submitted within 15 days, and
 - (g) any other facts which he considers pertinent.
2. Where it is evident when the adjuster receives Form 8 that it will not be possible for the insured to file a Form 67 within the 60-day period after the time of loss, he should act under existing instructions from the state director for such cases or request instructions from the director as to whether he should make an inspection.

Where it is not evident when the adjuster receives Form 8 that it will not be possible for the insured to file a Form 67 within the 60-day period after the time of loss, but he finds upon inspection that the notice was given too late to permit the inspection to be made and the Form 67 to be filed within this period, the adjuster shall make the inspection, prepare Form 63 and obtain from the insured a written statement as to the reason for the delay in filing the notice of loss, and submit the case to the director for consideration without preparing a Form 67. However, if the insured insists upon filing a Form 67 in cases of this kind, he should be permitted to do so but he should be informed of the 15-day provision for reporting loss to the county office and the 60-day provision for filing a Form 67, but the adjuster should not sign the Form 67.

Subsection C. Delayed Forms 67

The Regulations provide that the Form 67 shall be filed not later than 60 days after the time of loss, unless the time for filing the claim is extended in writing by the Corporation. This 60-day period will not be extended except in the most meritorious cases. Where a Form 67 is submitted more than 60 days after the time of loss, the adjuster shall request the insured to submit along with the Form 67, a statement showing the reasons for the delay in order that a determination may be made as to whether the extension is to be granted.

In these cases, the adjuster shall submit a statement on Form 6 giving all the information requested in B. 1 of this Section.

SECTION IV. SETTLEMENT OF LOSS CLAIMS

The adjuster shall advise the insured that any claim for indemnity submitted in accordance with the Regulations and applicable procedures will be paid by the issuance of a check of the Corporation payable to and mailed to the person(s) entitled to such payment under the Regulations.

SECTION V. DISTRIBUTION OF FORMS

Distribution of forms shall be made as follows:

Form 63

The state office copy shall be forwarded to the state director.

The insured's copy shall be given to the insured at the completion of the inspection.

The county office copy shall be filed in the insured's crop insurance folder on file in the county office.

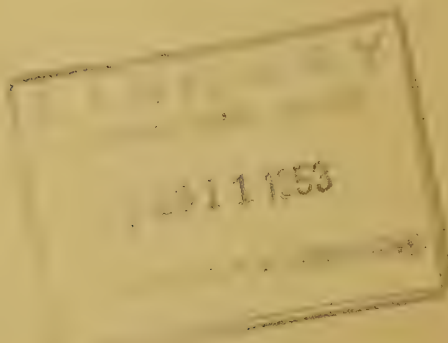
Form 67

The adjuster shall forward all copies of Form 67, including the insured's copy to the state director.

After a review thereof has been made by the Corporation, the insured's copy will be mailed to him, the state office copy will be filed in the related folder, and the county office copy will be forwarded to the county office for filing in the insured's crop insurance folder after any corrections in the premium, as are indicated at the bottom of Form 67, are made on county office records of the insured's premium account.

Form FCI-15, "Transmittal Sheet"

Form FCI-15 will be prepared by the state director. The branch office copy shall be forwarded to the branch office together with Forms 67 and any attachments. The county office copy shall be forwarded to the county office. The state office copy shall be retained and filed in the state office.



Reserve

1.952
L896

Loss Adjustment Manual for Wheat and Flax

(For 1953 and Succeeding Crop Years)

Supplement # 1 B - for counties where irrigated coverage
is applicable

LOSS CLAIMS ON IRRIGATED LAND

Subsection A. Basis of Irrigated Coverage

In counties where a part of the wheat is normally irrigated and a part is not normally irrigated the acreage of wheat which shall be insured on the basis of irrigated coverage in any year shall not exceed the smaller of

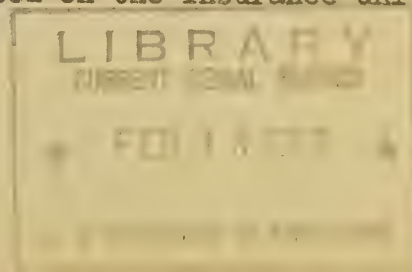
- (1) that acreage which could be irrigated adequately with the facilities available, taking into consideration the amount of water required to irrigate the acreage of all irrigated crops on the farm, or
- (2) that acreage on which one irrigation is carried out in accordance with good farming practices as determined by the Corporation, either before the crop is seeded or during the growing season.

Subsection B. Preparation of Loss Claims

In every case where final loss adjustment involves irrigated coverage a Form 6 shall be prepared showing the following information.

1. Irrigation Facilities

- a. Type of irrigation, such as flood, ditch, sprinkler, etc.
 - b. Source of irrigation water, such as number of shares or rights in specified organized projects with regularly maintained canals and ditches, unorganized projects, number and size of wells, number and size of pumps, capacity of wells, length and size of pipes in the case of sprinkler systems, number of acre feet or water where available, etc. Where rights or shares in a canal are involved, there must be a showing as to the acreage which a right or share can normally be expected to irrigate properly. Also in the case of wells there must be a showing as to the acreage which the well and its pump can irrigate properly under normal conditions.
2. List the total acreage on the insurance unit which was irrigated during the crop year and the name and estimated acreage of each crop (insured and uninsured) included in this acreage.
 3. a. How many acres normally can be irrigated on the insurance unit with the irrigation facilities available?



PARAGRAPH b BELOW IS TO BE USED ONLY IN CASES WHERE THERE IS A SHORTAGE OF IRRIGATION WATER.

- b. At the time the crops were planted was the irrigation situation on the insurance unit such that a normal quantity of irrigation water reasonably could be expected for the current crop year? In cases where the answer is "no" it will be necessary to determine and enter on Form 6 the number of acres that could be irrigated properly with the supply of irrigation water that reasonably could be expected at the time the crops were planted. In cases where the answer is "no", the adjuster should check with the irrigation companies and others who knew what the situation was, and show on Form 6 all facts obtainable which will help to show what the outlook was for irrigation water on the insurance unit at the time of planting the crops.

PARAGRAPH 4 BELOW IS TO BE USED ONLY IN CASES WHERE THERE IS MORE ACREAGE SEEDED FOR IRRIGATION ON THE UNIT THAN CAN NORMALLY BE IRRIGATED WITH THE IRRIGATION FACILITIES AVAILABLE.

4. Deduct the acreage of uninsured crops which was irrigated (as shown in Item 2 above) from the total acreage that the insured could reasonably expect to irrigate with the facilities available (Item 3 b where applicable: otherwise - Item 3 a above). The result represents the maximum acreage of wheat which can carry the irrigated coverage. The remaining acreage of the wheat crop will carry a continuous crop coverage if a continuous crop coverage is offered in the county. If a continuous crop coverage is not offered in the county, the acreage of the wheat crop which is not entitled to an irrigated coverage will not be insured. If part of the acreage of the wheat crop is not insured, a proportionate part of the total production, appraised and harvested, will not be included on the loss claim.

If the adjuster determines that the loss or any part of the loss on acreage with an irrigated coverage is due to failure of the insured to properly irrigate the acreage, and the insured was not prevented from properly irrigating the acreage by an insurable cause, he will make an appraisal of the amount of loss due to such failure to properly irrigate.

If a loss occurs on any acreage where the insured sold or rented his water rights or water shares, or applied available water to uninsured crops to the detriment of the wheat crop, the adjuster shall make an appraisal of the amount of loss due to such uninsurable cause.

In addition to the causes of loss not insured against shown in Section I, subsection A, 3, the contract does not cover loss in production caused by

- (1) failure properly to apply adequate irrigation water to wheat when needed and in accordance with recognized good farming practices for the area,

- (2) failure to provide adequate casing or properly to adjust the pumping equipment in the event of a lowering of the water level in pump wells when such adjustment can be made without deepening the well,
- (3) failure properly to apply irrigation water to wheat in proportion to the need of the crop and the amount of water available for irrigated crops, and
- (4) shortage of irrigation water on any farm where the Corporation determines that the total acreage of all irrigated crops on the farm is in excess of that which could be irrigated properly with the facilities available and with the supply of water which could reasonably be expected.

The contract also provides that insurance shall not attach with respect to acreage planted to wheat the first year after being leveled.

In establishing the facts in these cases the adjuster will be guided first by his own observations and judgment, second by information given by the insured, third by information obtained in the county office, and fourth by information obtained from neighbors. In cases where the adjuster is still not satisfied he may want to obtain information about water rights or shares from irrigation offices or search the county recorder's or watermaster's records.

Two copies of the Form 6 shall be attached to the loss claim submitted to the state office. One copy will be retained in the state office, the other will be submitted to the Washington Office for their review and information. The remaining copy of the Form 6 will be filed in the county office.

February 4, 1953

LOSS ADJUSTMENT MANUAL

For Wheat and Flax

(For 1953 and Succeeding Crop Years)

Supplement #1A - For Counties where Wheat Seeded Following Sorghum
is Uninsurable

In counties where wheat following sorghum is uninsurable it will be necessary for the adjuster to make certain determinations in addition to those included in the regular Wheat and Flax Loss Adjustment Manual.

In all cases where a notice of material damage or loss is filed and an inspection is necessary, the adjuster must determine whether or not any of the seeded wheat acreage on the unit was seeded following sorghum. The state director will advise the adjuster as to what is to be considered sorghum.

Where wheat following sorghum is a whole field or area that was planted solid to sorghum, and where it is practicable to harvest the field or area separately there should not be any problem. None of the production from uninsured acreage will be counted as insured production if the insured keeps such production separate from production from insured acreage or keeps satisfactory records.

Where wheat is seeded following alternating strips of sorghum and idle land or summer fallow, the adjuster must determine the acreage of wheat seeded on insured acreage and the production from such acreage.

Pre-Harvest Inspections. Each insured who reports wheat following alternating strips of sorghum and idle land or summer fallow on his acreage report will be advised by the state director by letter that if a loss is probable the insured must give notice of loss prior to harvest so that the Corporation can make a pre-harvest inspection of the crop.

The adjuster will determine the acreage of the uninsured wheat as well as the acreage of the insured wheat in these cases. He will estimate the yield on the insured acreage and the yield on the uninsured acreage. He will enter in column (d) of the inspection report the estimated yield for the insured acreage and in Part III of the inspection report the estimated yield for the uninsured acreage and the total of the uninsured acreage.

The adjuster shall request the insured to harvest the insured acreage separately from the uninsured acreage, if practical, and to keep the production from the insured acreage separate from that harvested on the uninsured acreage.

If it is not practical to harvest the insured acreage separately from the uninsured acreage, the adjuster shall request that some of the insured acreage be harvested separately so that the yield for the insured acreage can be determined more accurately.

The adjuster shall advise the insured to file a notice of loss immediately after harvest has been completed if he has a loss so that the case can be closed without undue delay.

After-Harvest Inspections and Adjustment of Losses. In completing loss adjustment in cases where pre-harvest inspections have been made, the adjuster will use the latest determinations available. If the insured acreage has been harvested separately from the uninsured acreage, the actual production from the insured acreage will be counted. If some insured acreage has been harvested separately, the average yield determined for this acreage shall be compared with the pre-harvest appraisal of the yield for this acreage to determine a basis for increasing or decreasing other pre-harvest appraisals of insured acreage on the insurance unit. If it has not been possible to harvest the insured acreage or some of the insured acreage separately, then the estimated yields made in the pre-harvest inspection shall be used and the total production from the acreage shall be pro-rated as provided below.

When the adjuster finds that the acreage has already been harvested before he has had an opportunity to inspect the crop, but he can determine the production from the insured acreage to his own satisfaction, he shall proceed with the inspection and the necessary loss adjustment.

When it is necessary for the adjuster to use estimated yields in determining the production from insured acreage the following instructions shall apply:

A. Inspection Report

1. Enter in column (b) the insured acreage. Enter directly above this entry in column (b) the total planted wheat acreage in the field or tract and encircle this entry.
2. Enter in column (c), when applicable, that part of the unencircled acreage in column (b) which is released.
3. Enter in column (d) the estimated yield for the insured acreage.
4. All other columns in Part I will be completed in the regular manner.
5. Enter in Part II the necessary information to compute the production from the entire field or tract.
6. Enter in Part III a sketch showing the pattern of the alternating strips of sorghum land and idle land or summer fallow. Show measurements made.
7. Enter in Part III the estimated yield on the uninsured acreage.

B. Statement in Proof of Loss

1. Enter only insured acreages in accordance with the regular instructions.

2. If the case is otherwise regular enter only the production from the insured acreage. When the acreage is harvested the actual harvested production will generally be more or less than the production determined on the basis of the estimated yields. The production to be entered on the FCI-67 in such cases will be computed as follows:
 - a. Multiply the uninsured acreage by the estimated yield for that acreage.
 - b. Multiply the insured acreage by the estimated yield for that acreage.
 - c. Add a and b.
 - d. Divide b by c, and express as a percentage.
 - e. Multiply the total actual production by the percentage computed in d. This is the harvested production to be entered on the FCI-67.
3. Show all computations used in determining production from insured acreage either in Part III of the inspection report or on a Form 6 attached to the inspection report.

In any case where the adjuster cannot determine the production from the insured acreage to his own satisfaction, he shall complete a Form 6 setting forth all the details of the case and submit this report to the state director.

